

ANDREW J. BROWN ACADEMY

2012-2013 Performance Analysis

Core Question 2: Is the organization effective and well-run?

2.1. Is the school in sound fiscal health?	
STANDARD	2.1-1: The school demonstrates satisfactory performance in all areas identified: Enrollment Variance, Current Ratio, Days Cash on Hand and Debt Default 2.1-2: The school demonstrates satisfactory performance in all areas identified: 3 Year Aggregate Net Income, Debt to Asset Ratio, and Debt Service Coverage Ratio 2.1-3: The school does not present concerns in the financial audit or financial reporting requirements

2012-13 2.1-1 Performance: Approaching Standard

Indicator	Ratio	Measures	Rating	2012-13	2012-13
2.1 Short Term Health	Enrollment Variance Ratio	Enrollment Ratio equals or exceeds 99%	<i>Meets Standard</i>	96%	Approaching
		Enrollment Ratio is between 90% - 98%	<i>Approaching Standard</i>		
		Enrollment Ratio is less than or equal to 89%	<i>Does Not Meet Standard</i>		
	Current Ratio	Current Ratio equals or exceeds 1.1	<i>Meets Standard</i>	1.05	
		Current Ratio is between 1.0 - 1.1	<i>Approaching Standard</i>		
		Current Ratio is less than or equal to 1.0	<i>Does Not Meet Standard</i>		
	Days Cash On Hand	Days cash on hand equals or exceeds 45	<i>Meets Standard</i>	9	
		Days cash on hand is between 30-45 days	<i>Approaching Standard</i>		
		Days cash on hand is less than or equal to 30 days	<i>Does Not Meet Standard</i>		
	Debt Default Evidence	Not in default or delinquent	<i>Meets Standard</i>	Meets	
Default or delinquent		<i>Does Not Meet Standard</i>			

Andrew J. Brown Academy approached standard for core question 2.1-1 for the 2012-13 school year. The school missed its enrollment target based on data from the September 2012 count day and approached standard for that sub-indicator. The school had slightly more current assets than current liabilities (those due in the next 12 months) and approached standard for this sub-indicator. Andrew J. Brown Academy ended the year with 9 days of cash on hand. This means that if payments to the school had stopped or delayed post June 30, 2013, the school would have

only been able to operate for 9 more days. This is driven by the school's agreement with its EMO (education management organization) National Heritage Academies (NHA). The agreement between the two entities can be described as a sweep agreement. This means that while NHA captures any remaining revenue the school has once all of its expenses are paid, NHA contributes revenue if the school has more expenses than revenue. Lastly, the school successfully met its debt obligations based on the information that Deloitte, the school's auditor, provided. There was no information provided by the school's lenders to indicate anything to the contrary. As a result, the school met standard for this sub-indicator. Since the school met standard for one sub-indicator, did not meet standard for one sub-indicator, and approached standard for the remaining two sub-indicators, it approached standard for core question 2.1-1.

2012-13 2.1-2 Performance: Meets Standard

2.2 Long Term Health	3 Year Aggregate Net Income	Aggregate 3 year Net Income is positive and most recent year is positive	<i>Meets Standard</i>	NA	Meets
		Aggregate 3 year Net Income is positive and most recent year is negative	<i>Approaching Standard</i>		
	Net Income	Aggregate 3 year Net Income is negative	<i>Does Not Meet Standard</i>	\$7,858.00	
	Debt to Asset	Debt to asset ratio is less than or equal to 0.9	<i>Meets Standard</i>	0.95	
		Debt to asset ratio is between 0.9 - 0.95	<i>Approaching Standard</i>		
		Debt to asset ratio equals or exceeds 0.95	<i>Does Not Meet Standard</i>		
	Debt Service Coverage (DSC) Ratio	DSC ratio equals or exceeds 1.15	<i>Meets Standard</i>	NA	
		DSC ratio is between 1.05- 1.15	<i>Approaching Standard</i>		
		DSC Ratio is less than or equal to 1.05	<i>Does Not Meet Standard</i>		

The school **met** standard for core question 2.1-2. The school met standard for net income in that it generated a positive net income for 2012-13. The school approached standard for its debt to asset ratio because the school's total assets were only slightly greater than its total liabilities. The school did not have any long-term liabilities that were slated to be paid during fiscal year 2013-14. Therefore, the school has no debt service coverage ratio. Since the school met standard for one sub-indicator and approached standard for the other sub-indicator, it met standard for core question 2.1-12.

2.1-3-2012-13 Performance: **Approaching Standard**

2.3 Reporting Requirements	Annual Independent Accrual Based Audit	Receives a clean audit opinion	Meets Standard	Approaching	Approaching
		Receives a clean audit opinion with a few significant deficiencies noted but no material weaknesses	Approaching Standard		
		Receives an audit with multiple significant deficiencies, material weakness or is a going concern	Does Not Meet Standard		
	Financial Reporting Requirements	Satisfies all financial reporting requirements	Meets Standard	Meets	
		Fails to satisfy financial reporting requirements	Does Not Meet Standard		

The school **approached** standard for core question 2.1-3. The school approached standard for its annual accrual based audit because it received a clean audit report with a significant deficiency. The significant deficiency in question pertains to the way in which the school prepared its Form 9 report. Pages 29-32 of the audit contain a full explanation of the findings. The school met standard for all of its reporting requirements throughout the school year and the school's auditors issued their report on October 29, 2013.

2.2. Are the school's student enrollment, attendance, and retention rates strong?	
STANDARD	The school is consistently fully enrolled. Student attendance and retention rates are generally at or above the school's agreed-upon target rates.

2012-13 Performance: **Approaching Standard**

Andrew J. Brown Academy (AJB) did not meet enrollment targets set for 2021-13. The following chart displays the school's target enrollment compared with its official fall enrollment, as reported by the IDOE.

Year	Target Enrollment	Fall Enrollment	Percent Below
2012-13	704	667	5.3%

Source: Official fall enrollment figures from the IDOE. Target enrollment is the maximum capacity from the school's charter agreement with the Mayor's Office, submitted by the school.

The 2012-13 attendance rate at AJB was higher than the averages of both the county and the state.

	AJB	MC	IN
2012-13 Attendance rate	96.1%	95.7%	95.8%

No targets have been established for student retention rates for Andrew J. Brown Academy.

Based on the 2012-13 performance, AJB **approached** the Mayor's Office standard for this indicator because they were not fully enrolled and had an attendance rate slightly higher than that of both the state and county.

2.3. Is the school's Board active and competent in its oversight?	
STANDARD	The board's membership collectively contributes a broad skill set and fair representation of the community; board members are knowledgeable about the school; roles and responsibilities of the board are clearly delineated; board meetings reflect thoughtful discussion and progress in the consideration of issues; overall, the board provides consistent and competent stewardship of the school.

2012-13 Performance: **Approaching Standard**

The Andrew J. Brown Academy Board was active, experienced, and provided competent oversight of the school. Additionally, the board was comprised of members with a diverse range of professional expertise and extensive knowledge about the school, its policies and its issues of concern. The board members had skill sets in the areas of education, law and facilities, and the board chair also had strong community ties. Two board members transitioned off of the board, and the board added a new member with higher education experience. The board consisted of four members and could look to add additional members in the future to provide additional support for the school. The low number of members was inconsistent with the board's bylaws, as they state that the board must have at least five members. The addition of members would also allow the board to form committees that could more closely assess key areas such as academics, finances, and the services provided by National Heritage Academies.

The board chair, Dr. Thomas Brown, provided stable leadership and was deeply committed to the mission of the school. The chair was engaged and took pride in promoting the successes of the school while also holding the school leader accountable. The chair also worked well with its EMO, National Heritage Academies to ensure that appropriate decisions were being made and that roles and responsibilities were clearly defined by all parties.

The board consistently made quorum and actively engaged in the oversight of many aspects of school operations, but did rely heavily on the services provided by National Heritage Academies. Though the board relied heavily on the services of the EMO, Al Wetherell who was the representative of National Heritage Academies, did a strong job of providing critical information but allowing the board to make the decisions that directly impacted the school. Primarily due to

the small board membership, which was inconsistent with board bylaws, Andrew J. Brown Academy **approached standard** on this Mayor's Performance Framework indicator.

2.4. Is there a high level of parent satisfaction with the school?	
STANDARD	More than 80% but less than 90% of parents surveyed indicate that they are satisfied overall with the school.

2012-13 Performance: Meets Standard

In the spring of each year, researchers administer anonymous surveys to parents of students enrolled at Mayor-sponsored charter schools. In 2012-13, 86% of Andrew J. Brown Academy parents reported overall satisfaction with the school. According to the data, the school **met** the Mayor's Office standard for performance for this indicator in the 2012-13 academic year.

2.5. Is the school administration strong in its academic and organizational leadership?	
STANDARD	The school's leadership has sufficient academic and/or business expertise; has been sufficiently stable over time; has clearly defined roles and responsibilities among leaders and between leaders and the board; actively engages in a process of continuous improvement which has led to some mid-course corrections.

2012-13 Performance: Meets Standard

The principal at Andrew J. Brown, Thelma Wyatt, had strong academic experience and engaged in a process of continuous improvement at the school. The principal continued to work closely and effectively with the Board and National Heritage Academies to implement policies and programs and to ensure efficient the school operated in a manner that promoted success.

The school implemented a lateral leadership structure, with an assistant principal assigned to oversee grades 5-8. The school also developed a school-wide leadership team comprised of one teacher per grade level, the principal, assistant principal, instructional coach, and parent liaison. The leadership team was created to serve two functions: 1) to allow teachers to develop leadership experience, and 2) to provide a forum for teachers and administrators to discuss school-wide issues and develop plans and goals. The teachers selected to serve on the leadership team acted as liaisons between the administration and fellow teaching staff.

While the school developed a thoughtful school leadership team that took a more active role, the school's long-term plan for leadership succession was unclear, and a thoughtful plan to address leadership sustainability should be put into place. As evidenced in school leader reports at board meetings, Andrew J. Brown's leadership was actively engaged in a process of continuous improvement, commonly utilizing enrollment, testing, and discipline data to guide mid-course corrections. Therefore, in 2012-13, leadership at the school was well-organized, effective, and **met** the Mayor's Office standard for this indicator.

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2.6. Is the school meeting its school-specific organizational and management performance goals?	
STANDARD	School has clearly met its school-specific organizational goal.

Not Evaluated. Andrew J. Brown Academy did not have school-specific organizational and management performance goals to be evaluated for 2012-13.